Federal Budget and Appropriations Update – What’s In Store for Education and Workforce Funding?

February 23, 2017
Our Speakers

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Committee for Education Funding

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Center on Budget and Policy Priorities

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National Skills Coalition
Goals for Today’s Webinar

• Overview of Fiscal Year 2017 Appropriations – timeline and potential outcomes
• Preview of FY 2018 appropriations – what can we expect?
• Budget reconciliation – what will it mean for workforce?
Non-Defense Appropriations Falling After Adjusting for Inflation

<table>
<thead>
<tr>
<th>Year</th>
<th>Before Inflation Adjustment (in billions of dollars)</th>
<th>After Inflation Adjustment (in billions of 2017 dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$519</td>
<td>$530</td>
</tr>
<tr>
<td>2017</td>
<td>$519</td>
<td>$519</td>
</tr>
<tr>
<td>2018</td>
<td>$515</td>
<td>$503</td>
</tr>
</tbody>
</table>

* Both 2016 and 2017 levels round to $518.5 billion.

Note: All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).

Source: CBPP analysis of data from the Congressional Budget Office and the Office of Management and Budget
Education Funding Still Below 2010 Level Excluding Pell Grants

(Department of Education discretionary funds in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Funds (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$46.6</td>
</tr>
<tr>
<td>2011</td>
<td>$45.4</td>
</tr>
<tr>
<td>2012</td>
<td>$45.3</td>
</tr>
<tr>
<td>2013</td>
<td>$42.9</td>
</tr>
<tr>
<td>2014</td>
<td>$44.5</td>
</tr>
<tr>
<td>2015</td>
<td>$44.7</td>
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<tr>
<td>2016</td>
<td>$45.8</td>
</tr>
<tr>
<td>2017</td>
<td>$45.8</td>
</tr>
<tr>
<td>2017</td>
<td>$45.4</td>
</tr>
</tbody>
</table>

*Senate Appropriations Committee bill rescinds $1.2 billion of previously appropriated Pell Grant funding, which lowers the amount available but does not show in the 2017 total.
Congressional Bills Cut K-12 and Higher Education Discretionary Funding

Elementary & Secondary Education (Every Student Succeeds Act)

- $20
- $21
- $22
- $23
- $24
- $25
- $26
- $27
- $28
- $29

Post Secondary Education*

- $28
- $27
- $26
- $25
- $24
- $23
- $22
- $21
- $20

- 2016
- 2017 Senate Appropriations Cmte
- 2017 President’s Budget
- 2017 House Appropriations Cmte

*Senate Appropriations Committee rescinds $1.2 billion of previously appropriated Pell Grant funding, which lowers the amount available but does not show in the 2017 total.
# Key DOL and ED Workforce Programs – FY 2017

<table>
<thead>
<tr>
<th>Program</th>
<th>Current Funding (FY 2016)</th>
<th>House FY 2017 Levels</th>
<th>Senate FY 2017 levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>WIOA Adult</td>
<td>$815,556,000</td>
<td>$815,556,000</td>
<td>$782,000,000</td>
</tr>
<tr>
<td>WIOA Dislocated Worker</td>
<td>$1,020,860,000</td>
<td>$1,040,860,000</td>
<td>$1,016,000,000</td>
</tr>
<tr>
<td>WIOA Youth</td>
<td>$873,416,000</td>
<td>$873,416,000</td>
<td>$838,000,000</td>
</tr>
<tr>
<td>Apprenticeship</td>
<td>$90,000,000</td>
<td>$0</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Workforce Data Quality Initiative</td>
<td>$6,000,000</td>
<td>$6,000,000</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Title III Wagner Peyser/ES grants</td>
<td>$680,000,000</td>
<td>$664,184,000</td>
<td>$671,413,000</td>
</tr>
<tr>
<td>Title II Adult Ed State Grants</td>
<td>$581,955,000</td>
<td>$581,955,000</td>
<td>$581,955,000</td>
</tr>
<tr>
<td>Perkins CTE State Grants</td>
<td>$1,117,598,000</td>
<td>$1,117,598,000</td>
<td>$1,117,598,000</td>
</tr>
</tbody>
</table>
Workforce Funding Declining

Since 2001:
- WIA/WIOA formula grants have been cut by 40%
- Perkins CTE has been cut by 30%
- Adult Education has been cut by 20%

Source: NSC analysis; all totals adjusted for inflation
Non-Defense Appropriations Remain Well Below 2010 Levels

In billions of 2017 dollars

Notes: Reflects sequestration relief provided by the Bipartisan Budget Acts of 2013 and 2015. All amounts exclude funding for disasters, emergencies, program integrity, and Overseas Contingency Operations (OCO).
Source: CBPP analysis of data from the Congressional Budget Office and the Office of Management and Budget
Roadmap of Disinvestment: NDD Falls to Historic Low

Spending as a percent of gross domestic product

- Average, 1962-2015
- Previous low
- Projections under caps and sequestration

Note: Data available only back to 1962.
Source: CBPP based on Office of Management and Budget and Congressional Budget Office data
Trump Plan Would Cut NDD Funding Deeply Over Time

In billions of 2017 dollars

- **2010 enacted**: $600
- **2016 enacted**: $530
- **2026 Trump plan**: $380

Source: CBPP calculations based on Congressional Budget Office data and Trump campaign fact sheet

cbpp.org
Pell Grant Discretionary Costs and Surpluses/Shortfalls

Source: CBO (estimates of program costs for 2017-2027)
Education Accounts for Just 2% of All Federal Spending

2016 Outlays by category

- Defense Discretionary
- Non-Defense Discretionary - excluding education
- NDD - just education
- Mandatory - Social Security
- Mandatory - Means Tested
- Other Mandatory
- Mandatory - Net Interest

Source: FY2017 OMB Budget
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